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NIH Staff Must Report Payments

■ The director's edict comes as the agency is pressed over consulting fees from drug firms.

By David Willman, Times Staff Writer

WASHINGTON — The director of the National Institutes of Health is requiring agency employees to report the financial details of any consulting payments received from drug companies over the last five years or face dismissal, a spokesman said Tuesday.

The edict from the NIH director, Dr. Elias A. Zerhouni, comes as the agency is facing increased pressure from congressional leaders to rescind policies and practices that have fostered potential conflicts of interest involving agency scientists.

Spokesman John Burklow of NIH said Zerhouni informed agency leaders of his demand on Tuesday and would deliver a formal letter by Friday. As many as 500 NIH scientists who have maintained paid arrangements with pharmaceutical or biotechnology firms must comply "as a requirement and condition of their employment," Burklow said. The financial information is to be turned over to members of Congress.

Zerhouni's toughened approach is an acknowledgment that the ethics changes he has announced in recent weeks have not satisfied congressional concerns over payments to the agency's scientists from drug companies.

Indeed, Rep. John D. Dingell (D-Mich.) said Tuesday that the changes made or agreed to by Zerhouni so far are constructive "but not nearly enough."

Speaking at a hearing of the House Energy and Commerce subcommittee on oversight and investigations, Rep. Diana DeGette (D-Colo.) said that unless NIH accepted "a blanket restriction on outside compensation, serious conflicts of interest and the appearance of conflicts of interest will continue."

In a related development, the subcommittee chairman, Rep. James C. Greenwood (R-Pa.), criticized NIH officials for approving a cancer laboratory chief's consulting deal. The approval,

Greenwood said, possibly undermined NIH in developing, with a separate company, a test for ovarian cancer.

"There are few situations more destructive of public-private partnerships than this one," Greenwood said, referring to $49,375 in consulting fees collected from one company over the past 17 months by Dr. Lance A. Liotta of the NIH's National Cancer Institute.

"This isn't transparency," Greenwood said. "This is an outrage."

The fees were paid to Liotta by Biospect Inc., based in South San Francisco. Greenwood told the hearing that Biospect was a competitor of a Maryland firm, Correlogic Systems, with which Liotta had been collaborating, in his official capacity, to develop a test for the early detection of ovarian cancer.

Development of such a test might save lives, according to specialists, because by the time that later-stage ovarian cancer causes symptoms, the disease often is incurable.

Ovarian cancer is expected to kill about 16,000 women this year in the U.S., according to the American Cancer Society.

"If such a product is delayed, it is a tragedy for women and their families," said Diana Zuckerman, president of the National Center for Policy Research for Women & Families, a nonprofit group.

"We deserve [government] researchers and decision-makers who are free from the bias inherent in financial ties to the pharmaceutical industry."

Liotta's fees had not been open to public view because he was one of many NIH employees exempted from public disclosure of their outside income.

The consulting arrangements with Biospect of both Liotta, chief of the cancer institute's pathology laboratory, and Emanuel F. Petricoin, a senior microbiologist at the Food and Drug Administration, were first reported Tuesday by the Los Angeles Times. Since 2002, Liotta and Petricoin have been designated by NIH and the FDA to collaborate with Correlogic Systems in a formal cooperative research and development agreement.

Both men appeared before the subcommittee Tuesday.

Liotta testified that he had been unaware of any common research goals between his consulting client, Biospect, and his government partner, Correlogic Systems. When he learned "new information" last week, he said, "I terminated my relationship with Biospect."

Liotta, 56, noted that his consulting deal had been approved by officials within the National Cancer Institute.

For his part, Petricoin testified that the FDA had approved his work as a paid consultant to Biospect and that he had "performed to the highest ethical standards." He said FDA officials had informed him May 7 that the approval to consult for Biospect had been withdrawn because the company's future products are apt to be regulated by the agency.

"I certainly would never knowingly pursue or continue any outside activity which I felt was in conflict with a career spent as a scientist in the pursuit of public and patient benefit," said Petricoin, who is 39.

According to Greenwood and others, Correlogic complained last July to the cancer institute's deputy director, Anna Barker, about Liotta's consulting deal with Biospect.

"Knowing what we know now," Barker told the subcommittee, "we probably would have disapproved this consultancy."

The subcommittee's focus on the consulting deals resulted from a report in December by The Times documenting hundreds of payments, totaling millions of dollars, by drug companies to NIH scientists.

The Times also reported that more than 94% of the agency's top-paid employees were not required to

publicly disclose outside income.

Greenwood said later Tuesday that he intended to hold a third hearing, focusing on other possible conflicts of interest at NIH, next month.

Times researcher Janet Lundblad in Los Angeles contributed to this report.